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AZ CORP COMMISSION
DOCKET CONTROL

February 23, 2009

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Hand Delivered

Ernest Johnson
Director of Utilities
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

**Re: Perkins Mountain Water Company and Perkins Mountain Utility Company
Amendment to Stock Purchase and Utility Services Agreement
Compliance with Decision No. 70663
(Docket Nos. W-20380A-05-0490 and SW-20379A-05-0489)**

Dear Mr. Johnson:

Pursuant to page 28, lines 8-14 of Arizona Corporation Commission Decision No. 70663, dated December 24, 2008, Perkins Mountain Water Company hereby submits the attached First Amendment to Stock Purchase and Utility Services Agreement.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

Snell & Wilmer

Bradley S. Carroll

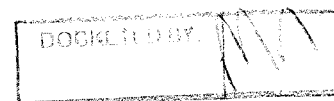
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Attachment

cc: Docket Control (original plus 15 copies)
Brian K. Bozzo, Utilities Division Compliance Manager

Arizona Corporation Commission
DOCKETED

FEB 23 2009



**FIRST AMENDMENT
TO
STOCK PURCHASE AND UTILITIES SERVICES AGREEMENT**

This First Amendment dated February 6, 2009, to the Stock Purchase and Utilities Services Agreement ("**Amendment**") is made between RHODES HOME ARIZONA, L.L.C., an Arizona limited liability company, (the "**Seller**") and UTILITIES, INC., an Illinois corporation (the "**Buyer**") All capitalized terms used herein but not otherwise defined herein have the meanings assigned thereto in the Agreement.

RECITALS

WHEREAS, the parties to this Amendment are parties to that certain Stock Purchase and Utilities Services Agreement, dated as of November 29, 2007 (the "**Agreement**"); and

WHEREAS, at the December 19, 2008 Open Meeting of the Arizona Corporation Commission ("**Commission**"), the Commission proposed certain conditions to the Recommended Opinion and Order that the Parties agree constitute Material Additional Conditions and required the Agreement be amended to incorporate such conditions and that the amended Agreement be filed with the Commission; and

WHEREAS, in accordance with Section 8.3.2.3 of the Agreement, authorized representatives of the Parties met and conferred and determined to accept such conditions; and

WHEREAS, on December 24, 2008, the Commission issued Decision No. 70663 (the "**Decision**") wherein such conditions were set forth; and

WHEREAS, in accordance with Section 11.6 of the Agreement, the Parties desire to amend Article IV of the Agreement specifically with respect to the conditions set forth in Section 1 of this Amendment.

NOW, THEREFORE, in consideration of the foregoing, the mutual promises contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, intending to be legally bound hereby, the Parties agree as follows:

[Remainder of this page intentionally left blank]

AGREEMENT

1. Article IV of the Agreement shall be amended to include the following Section 4.19:

4.19 Construction of Golf Courses. Seller plans the construction of an 18-hole golf course at Pravada. Accordingly, Seller shall comply with the following provisions of Commission Decision No. 70662 dated December 24, 2008:

- a) "Rhodes Homes or its successors or assignees [are prohibited] from building the second nine holes of the golf course until the first nine holes can be watered solely with effluent;" and
- b) "Any golf courses built within the certificated area shall be "desert-style target" golf courses that will be constructed consistent with the requirements for a new golf course constructed within an Active Management Area."

2. This Amendment to the Agreement is not considered by the Parties to be confidential and may be filed with the Commission's Docket Control.

IN WITNESS WHEREOF, the Parties have duly executed this Amendment as of the date written above.

SELLER

By JCI Rhodes
Name John Rhodes
Title V.P.
Rhodes Homes Arizona, L.L.C.
4730 S. Fort Apache Road, Suite 300
Las Vegas, Nevada 89147

BUYER

By Lawrence N. Schumacher
Lawrence N. Schumacher
President and CEO
Utilities, Inc.
2335 Sanders Rd
Northbrook, Illinois 60062-6108

OK/SS